



CEPPS/NDI Quarterly Report: January 1 to March 31, 2005

**ASIA: POLITICAL PARTY STRATEGIES TO IMPROVE INTEGRITY (03531)
CEPPS Core Project under USAID Cooperative Agreement No. DGC-A-00-01-00004-00**

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I. SUMMARY

Corruption poses challenges to wealthy and poor countries alike, but countries undergoing democratic transitions are especially at risk. In South Asia, political corruption threatens the consolidation of democracy by undermining public confidence in political and economic institutions. Although efforts have been made at the national and regional levels to engage government institutions, civil society, academia and the media in the fight against corruption, political parties have been largely absent from the dialogue. Yet it will be political parties, acting through the legislative process, that the citizenry must ultimately rely on to design anti-corruption measures and oversee their enforcement. If parties are to act as effective instruments of reform, they must themselves be viewed as transparent and accountable institutions.

To bring political parties into the dialogue on corruption, in March 2001 the National Democratic Institute (NDI) initiated a National Endowment for Democracy-funded regional Asia program, in which NDI and the Council of Asian Liberals and Democrats (CALD), a regional coalition of political parties based in Manila, implemented a program to promote political party reform in Cambodia, Indonesia, Malaysia, Nepal, the Philippines, South Korea, Taiwan and Thailand. To build on the momentum of that program, in January 2004 NDI began to conduct a similar program in South Asia with an initial focus on Nepal and Bangladesh. The objective of this program is to enable representatives from political parties in Bangladesh and Nepal to share experiences and build within their respective parties a common commitment to promoting integrity in politics. These countries were selected because they are among those most affected by corruption in South Asia.

During this quarter, the Institute published the final report of the "Political Party Initiatives to Promote Integrity in Nepal and Bangladesh" regional workshop, which was held in Kathmandu in June 2004, and distributed the report to major political parties and workshop participants in Nepal. Following the royal takeover, NDI continued to consult with representatives of all major political parties and two leading civil society organizations (CSOs), Pro Public and the Society for Constitutional and Parliamentary Exercises (SCOPE), to plan future party reform initiatives. NDI is currently pursuing this effort with the parties and CSOs

and is designing a public campaign using radio, television, print media, and public outreach to advocate for the implementation of recommendations made by the parties during the June regional workshop.

II. BACKGROUND

Since Nepal's return to multi-party democracy in 1990, the nation has been marred by political instability, averaging one new government every year. Moreover, in 1995, a party formerly in parliament began an armed Maoist insurgency, resulting in the declaration of a state of emergency in 2001 and leading to the deaths of over 13,000 individuals to date. After Royal takeover in February 1, 2005, a six-member Royal Commission for Corruption Control (RCCC) was formed by the King, and was granted judicial authority to investigate and take action against any person. In its first anti-corruption move, the RCCC summoned and interrogated six former ministers and 21 of their associates on corruption charges. The constitutional authority of this commission, particularly in relation to preexisting legal rulings and proceedings, remains in question.

In this context, Nepali citizens have become increasingly cynical toward a political system that appears to benefit political parties and politicians at the expense of the public. While most party constitutions have codes of conduct and disciplinary committees, enforcement mechanisms under these codes are weak and lack transparency. Party leaders admit privately that they attempt to deal discreetly with charges of misconduct against their members. There are signs of hope, however, that solutions can be found and implemented: there is a level of relative civility between the parties, there is an amount of recognition that internal reform is necessary to win the support of the people, and common problems by different actors in the country have been identified. In addition, Nepali parties participated in NDI's Political Party Strategies to Combat Corruption program and have expressed a desire for assistance in developing action plans based on assessments made in that program. Assisting them in developing this next phase of anti-corruption activity will advance their reform programs and should provide important experiences to share with parties in Bangladesh and elsewhere.

Bangladesh remains one of the poorest countries in the world, and the government faces the tremendous challenge of freeing its people from poverty. Widespread political corruption, however, threatens to undermine this goal; current government efforts to tackle the problem are weak and the pace of reform is slow. In 2004, Bangladesh again headed the list of the most corrupt countries as measured by Transparency International. Under pressure from the donor community, the government of Bangladesh has established in legislation a relatively independent Anti-Corruption Commission (ACC) to replace a dysfunctional Bureau of Anti-Corruption. Unfortunately, in the initial implementation of the ACC numerous problems have arisen. The first head of the ACC resigned within a week, and the government subsequently refused to assign any personnel to the new agency. Despite its potential, the future prospects for the ACC remain unclear.

The financial operations of Bangladeshi political parties and candidates remain obscured by the lack of transparency in political and campaign finance practices. Even senior party officials claim to have no idea how much money is contributed to or spent by the party, as most

donations are funneled directly into the hands of the party leader, bypassing official party channels. Political parties spend little on general activities or elections, relying instead on individual politicians, leaders, and candidates fund their activities independently. Because of the lack of party contributions and the great expenses involved in securing electoral victories, businesspersons have taken over politics and now constitute a majority of candidates.

According to party officials and civic leaders, most candidates seek office not to help the country through legislative action but rather to enhance their own financial interests. Once elected, parliamentarians siphon money from the state through favorable business deals, contracts, and procurement rights to recoup their campaign spending and enrich their businesses, further robbing the Bangladeshi people of much-needed public services. As long as political party fiscal practices continue to take place in an opaque and unregulated fashion, there will be no reduction in the negative infiltration of money into the Bangladesh's system of governance.

III. PROGRAM ACTIVITIES

Distributing Conference Final Report

NDI/Nepal distributed the final report of the "Political Party Initiatives to Promote Integrity in Nepal and Bangladesh" regional workshop, which was held in Kathmandu in June 2004, to all the major political parties and the workshop participants.

Meeting with the Workshop Participants, Civil Society Organizations and Media

NDI/Nepal continued meeting with the workshop participants, civil society organizations and media to follow-up on the workshop findings and recommendations.

Corruption Component in Mid-level Leaders Training Course in Bangladesh

During this quarter, NDI held two political party training courses in Bangladesh, one in Bogra and another in Khulna. These courses were designed to engage reform-minded, mid-level party members in discussing ways to strengthen democratic practices within their parties; in these training modules, time has been allotted to discuss the ways corruption manifests itself in their respective parties at the local level. Many of the insights offered by the participants have informed NDI's programming on corruption, helping the Institute to develop ideas on strategies for further addressing the issue in its programming.

Meetings and Consultations: Bangladesh

NDI/Bangladesh continued to meet and consult with leaders of all political parties and members of civil society to develop future anti-corruption reform strategies.

IV. RESULTS AND ACCOMPLISHMENTS

Objective 1: Representatives from political parties across the political spectrum in Bangladesh and Nepal share experiences and build within their respective parties a common commitment to promoting integrity in politics.

- All the major political parties in Nepal agreed to participate in public forums and radio/television campaigns for political party reform, indicating their awareness of the need to improve their image in the public eye, and the willingness to take action to improve their standing.
- In consultations with NDI, the five major political parties in Nepal all expressed a desire to work on developing a common agenda for resolving the political and military impasses in the country, demonstrating their willingness to work towards developing a collaborative approach for promoting greater integrity in politics.
- In meetings and consultations with NDI/Bangladesh on the issue of corruption, national and local political leaders have responded positively and acknowledged that the issue must be addressed within the political parties; this support is an important component of furthering the agenda of political party reform.

V. EVALUATION

The February 1 Royal Proclamation in Nepal—establishing direct royal rule and severely restricting civil liberties, media reporting, and political speech—hampered the Institute's initiative to conduct public campaign for the party reform.

In Nepal, it is increasingly clear that internal party discussions, while useful, are not sufficient on their own to create powerful external incentives for party reform. For this reason, NDI/Nepal has decided to help prominent civil society organizations and major political parties organize and conduct a public campaign for party reform. NDI/Nepal believes that the parties will respond to a public reform campaign, not just to improve their perception in the public mind, but also because reforms will help parties overcome the stagnation and corruption that are threatening their survival.

In Bangladesh, the public generally believes that neither major political party has a commitment to change the use of political power for corrupt ends. NDI's ability to alter that belief is limited; the Institute continues to raise the issue, however, and to identify local champions, in all political parties, for a reform effort. NDI's major aim is to convince political leaders that they are paying the political price of endemic corruption within the government bureaucracy. Through the mid-level leaders' training course, the by-election monitoring and high-level consultations, NDI is helping to build a national coalition of like-minded reformers.

VI. FUTURE ACTIVITIES

During the next quarter, NDI/Nepal, in collaboration with political parties and civil society organizations, will initiate public forums and a radio/television/print media campaign to promote political party reform. The extent of these activities will depend on the restrictions on

media programming and political speech imposed by the Nepali government. In addition, NDI/Nepal will compile the findings and recommendations of Bangkok I, II and Nepal/Bangladesh workshops to use as a tool in future political party reform activities.

NDI/Bangladesh plans to hold a South Asia regional meeting of the Global Organization of Parliamentarians Against Corruption (GOPAC) in Bangladesh. The goal is to hold a conference similar to those that launched the Middle Eastern and North African Parliamentarians Against Corruption (MENAPAC) and African Parliamentarians' Network Against Corruption (APNAC), which would be informed and shaped, in part, by this program's findings.